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The Agricultural Situation

A Brief Summary of



Economic Conditions

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United States Department of Agriculture

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MORE MONEY FOR THE SAME TOTAL OUTPUT

The year 1935 was one of improvement in the position of farmers, generally speaking. They were not so harassed by drought as in 1934, they were able to raise better crops, especially feed crops, and they made more money.

The harvested area of the principal crops, 327,661,000 acres, showed a 14-percent increase over the drought-stricken harvest of the previous season. But the crop acreage of this year still fell short of the 1928-32 average by 28,000,000 acres (8 percent).

The total volume of agricultural production was about the same as in 1934. There was a much larger output of grains, more cotton, somewhat more vegetables and fruits. But these crop increases were offset by a smaller production of meat animals, livestock products, and poultry.

Both crops and animal products, however, are bringing in more income than they were a year ago, notwithstanding that the crops are larger and the livestock output smaller.

The gross income from farm production for 1935 is now estimated at \$8,110,000,000, which is about 12-percent increase over the previous year. The net income will be larger also.

This increase in farm income reflects very largely an improvement in domestic demand conditions and the lack of surplus stocks. Present indications are that total rental and benefit payments for 1935 will be about \$480,000,000, compared with \$594,000,000 paid in 1934.

The 1935 return to farmers for their capital, labor, and management is still only 72 percent as large as it was in 1929. But it is three times the 1932 bottom figure. This is the encouraging thing: That the last year actually has improved the farmer's position relative to other large productive groups. Not all farmers have shared fully in this—eastern dairymen and potato growers, for instance—but it is true of the industry as a whole.

THE IMPROVEMENT IN AGRICULTURAL INCOME IN 1935**GROSS INCOME 12 PERCENT ABOVE 1934**

The gross income from farm production for 1935 is tentatively estimated at \$8,110,000,000, compared with \$7,266,000,000 for 1934 and \$5,337,000,000 in 1932, the low point of the depression. Although gross income in 1935 is still only 68 percent as large as the income received in 1929, it is considerably larger than in any other year since 1930. Rental and benefit payments have made material contributions to farm income since 1933 and are included in the above estimates, but the amount of such payments on 1935 adjustment programs was less than for 1934. Present indications are that the rental and benefit payments on the crop adjustment programs of 1935 will be about \$480,000,000 compared with \$594,000,000 paid on 1934 programs.

CASH INCOME 10 PERCENT LARGER

Cash income from 1935 production will be about \$6,900,000,000, an increase of 10 percent over the cash income received from production in 1934.¹ However, the value of goods retained for home consumption is expected to be about \$1,200,000,000, or about 16 percent larger than the \$1,037,000,000 in 1934.

The relatively greater increase in the value of products retained for home consumption this year is the result of better conditions for farm gardens and the marked increase in prices and relatively stable farm consumption of livestock products which make up a large part of the total value of all farm products consumed in the farm home.

EXPENSES ALSO INCREASED BUT NOT SO MUCH

Farmers' expenditures have not increased as much as gross income, so that the actual position of the farm operator has improved more during the last year than is indicated by the increase in gross income. Although farm expenditures for production can be only tentatively estimated at this time, it appears likely that the increases in farmers' current expenditures for production and for wages to hired labor were only moderate, the increase being partly offset by lower interest rates on farm mortgages. No marked increase in tax levies on farm property is anticipated for 1935. Present indications are that the farmers' current production expenses, plus wages, taxes, interest, and rent payable, and depreciation of buildings and equipment, will amount to about \$4,000,000,000 in 1935 compared with \$3,832,000,000 in 1934. Such a deduction for production expenditures would leave an income available to farm operators for their labor, capital, and management of about \$4,110,000,000. Although this is the largest return to farm operators for any year since 1929 and is nearly three times as large as in 1932, it is still only 72 percent as large as the \$5,669,000,000 available to farm operators in 1929.

¹ This estimate of cash income from farm production is the cash value at prices prevailing in the crop marketing year of that portion of 1935 agricultural output to be sold by farmers, and should not be confused with the estimates of cash income from farm marketings, which, for any year, are the sum of the 12 monthly cash income estimates and indicate the amount of money received by farmers in a given period of time from the sale of farm products and from actual payments on adjustment programs.

TABLE 1.—GROSS INCOME FROM FARM PRODUCTION AND RENTAL AND BENEFIT PAYMENTS BY GROUPS OF COMMODITIES, 1932, 1934, AND 1935

Source of income	Gross income from production			Benefit payments		Gross income and benefit payments	
	1932	1934	1935 preliminary	1934	1935 preliminary	1934	1935 preliminary
Crops:							
Grains	452	536	700	213	239	749	939
Fruits and nuts	324	464	500	—	4	464	504
Vegetables	611	701	775	—	—	701	775
Sugar crops	69	61	70	25	21	86	91
Cotton and cottonseed	464	¹ 706	² 750	116	127	822	877
Tobacco	108	¹ 224	235	36	17	260	252
Other crops	267	351	370	—	—	351	370
Total crops	2,295	3,043	3,400	390	408	3,433	3,808
Livestock and livestock products:							
Meat animals and wool	1,153	1,514	1,800	204	72	1,718	1,872
Poultry and eggs	609	664	800	—	—	664	800
Dairy products	1,260	1,421	1,600	—	—	1,421	1,600
Other	20	30	30	—	—	30	30
Total livestock	3,042	3,629	4,230	204	72	3,833	4,302
Total crops and livestock	5,337	¹ 6,672	7,630	594	480	7,266	8,110

¹ Revised.² Estimate includes price-adjustment payment for 1935.

MORE MONEY CHIEFLY FROM GRAINS AND LIVESTOCK

There was a pronounced increase in income from both crops and livestock from 1934 to 1935. Although the increase in income from all kinds of livestock and livestock products was fairly general, the increase in income from crops was most marked in the case of grains, vegetables, and sugar crops.

The increased income from grains, livestock, and livestock products has been largest in the northwestern region, especially the western half, where the drought was most severe last year. The increase in income from livestock and sugar crops has also greatly increased the income in the mountain and far Western States where these commodities are important sources of income.

For the Southern States as a whole, the larger production of cotton and tobacco and the increased income from livestock items are offsetting the lower prices for tobacco and cotton, and total income in the South will show a small increase in comparison with 1934. Increased income from apples, potatoes, and dairy products has resulted in moderate gains in income in the Middle Atlantic and New England States.

INCREASED INCOME RESULT OF HIGHER PRICES, ESPECIALLY LIVESTOCK

Practically all of the increase in farm income from 1934 to 1935 has been due to the increase in the general level of farm prices, as farm production in 1935 was apparently about the same as in 1934. Prices for the principal crops thus far in the marketing season have been somewhat lower than a year earlier, but this has been more than

offset by the marked increase in prices of livestock and livestock products. The general level of all farm prices during the marketing year for 1935 production will average somewhat higher than during the period when 1934 crops were being marketed.

During the first 11 months of 1935 prices of meat animals averaged 74 percent higher than in the corresponding period of 1934, chicken and egg prices were 34 percent higher, and dairy products were up about 14 percent.

LARGER CROPS IN 1935

The marked shifts in agricultural production from 1934 are indicated in the index numbers in table 2. In 1935 grain production was 63 percent higher, tobacco 19 percent higher, and cotton production 12 percent higher than in 1934; there were also moderate increases in the production of fruits and vegetables and truck crops. The total production of all crops was 21 percent higher in 1935 than in 1934. It was the same as in 1933.

TABLE 2.—INDEX NUMBERS OF THE VOLUME OF AGRICULTURAL PRODUCTION 1919-35¹

[1924-29=100]

Year	Grains	Fruits and vegetables	Truck crops	Cotton and cotton-seed	All crops	Meat animals	Dairy products	Poultry products	All live-stock and live-stock products	Total
1919-----	104	84	58	76	89	98	78	74	86	87
1920-----	117	100	70	88	101	91	77	74	83	91
1921-----	102	75	61	53	77	92	83	85	87	83
1922-----	100	108	81	65	89	102	87	88	94	92
1923-----	100	103	79	67	90	107	91	98	99	95
1924-----	102	96	91	91	96	102	94	91	97	97
1925-----	98	90	96	107	99	97	96	94	96	97
1926-----	96	109	93	120	106	98	99	99	98	102
1927-----	103	94	105	87	95	101	102	105	102	99
1928-----	108	117	102	97	106	101	103	106	103	104
1929-----	93	94	113	99	97	101	106	106	104	101
1930-----	85	106	113	92	95	101	107	109	105	101
1931-----	89	115	109	112	104	107	110	109	109	107
1932-----	85	101	113	86	90	106	110	105	107	100
1933-----	61	99	105	86	82	108	110	106	109	97
1934 ² -----	41	102	114	64	68	115	106	102	110	91
1935 ² -----	67	110	115	72	82	90	106	93	98	91

¹ These index numbers are based on estimates of production of farm products for sale or for consumption in the farm home. Products fed to livestock, used for seed or in other forms of production are not included. Only the amounts of corn and oats sold for grain and only that part of the hay crop sold from farms are included. Production of meat animals is represented by total slaughter including slaughter for farm use. The index number of dairy products production represents total milk produced for all purposes except whole milk fed to calves. Calender-year production of livestock and livestock products is compared with crop production of the same year. Each group index as well as the total is obtained by multiplying the yearly quantities by a 1924-29 average farm price received by producers for each of the commodities, and the sum of these yearly values at average prices, divided by the corresponding average sum for the period 1924-29 taken as 100. The commodities included in constructing the index contributed about 93 percent of the gross income from agricultural production during the years 1924-29. The commodities included in each group are: Grains—wheat, corn, oats, barley, rye, buckwheat, flaxseed, rice, grain sorghums; fruits and vegetables—grapes, apples, apricots, peaches, pears, cranberries, figs, grapefruit, oranges, lemons, olives, potatoes, sweetpotatoes, dry edible beans; truck crops—asparagus, snap beans, beets, cabbage, cantaloups, carrots, cauliflower, celery, cucumbers, eggplant, lettuce, onions, peas, peppers, spinach, strawberries, tomatoes, watermelons; cotton and cottonseed; all crops include tobacco and hay in addition to all previous items; meat animals—cattle, calves, sheep, lambs, hogs; dairy products—milk total production less milk fed to calves; poultry products—chickens and eggs; all livestock and livestock products include wool in addition to the livestock and livestock products mentioned; the total index is the combined index of all crops and all livestock and livestock products.

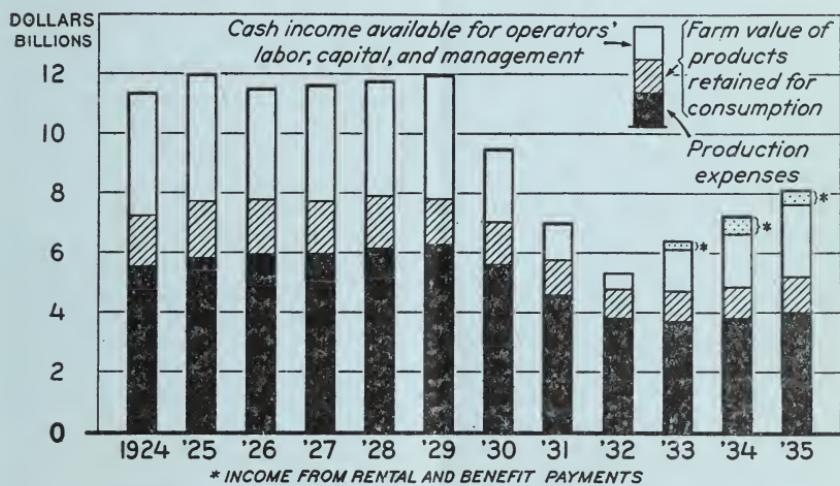
² Preliminary.

LESS LIVESTOCK

The effect of the drought upon the production of livestock and livestock products was probably more severe in 1935 than in 1934. Many herds were further reduced in the early part of 1935 on account of the shortage of feed. The feeding of stock for market and the production of livestock products were restricted until feed supplies became available from 1935 crops.

The shortage of feed was also reflected in a smaller calf and lamb crop than normally would have been expected, because of the poor condition of livestock over large areas last winter and spring. The 1935 lamb crop was about 7 percent below 1934, with the estimated number of breeding ewes the smallest since 1929 and the number of lambs saved per 100 ewes the second smallest in the 12 years for which estimates have been made.

Distribution of Gross Income from Farm Production, 1924 to Date



U. S. DEPARTMENT OF AGRICULTURE

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The reduction was greatest in the case of meat animals. Hog production during the first 11 months of 1935 was only about 58 percent of 1934 and the production of cattle and calves for commercial slaughter was about 94 percent of 1934.

Milk production in 1935 was higher than in 1934 in most of the summer months, but was lower in the early part of 1935 and has been running lower than last year since September so that production for the year as a whole may be about the same as in 1934. Marketings of both poultry and eggs thus far in 1935 have been below 1934.

Due to the sharp reduction in the output of meat animals and the moderate decline in the output of poultry products, the production of all livestock and livestock products in 1935 is probably about 11 percent less than in 1934 and about offsets the increase in the production of crops. Total agricultural production for sale or for consumption in the farm home in 1935 will be about 91 percent of the 1924-29 average or the same as in 1934.

FARMERS BUYING MORE

The increase in income available after deducting production expenses has been substantial. The extent of the increase in income available for family living is indicated in the accompanying chart. The cash income available for farm operators—labor, capital, and management from 1935 production, including rental and benefit payments—was over five times as large in 1935 as in 1932.

The larger income of farmers in 1935 has been accompanied by marked increases in purchases of commodities both for the family and for production. The increase has been most noticeable in the case of clothing, house furnishings, farm machinery, automobiles, and building materials.

Retail sales by general stores in small towns under 5,000 during the first 11 months of 1935 have averaged 19 percent above 1934 and were 79 percent of 1929. If the change in the price level of commodities is considered, the volume of sales by these stores has apparently been almost as large as in 1929. Sales by mail order houses, where farmers also purchase a large part of their supplies, were larger during the first 11 months of 1935 than during any other year except 1929, and, if allowance is made for changes in the price level of goods handled by these stores, the volume of sales was the largest on record. Although these indicators reflect only a part of the farmers' total purchases, they are evidence that the increase in farm income not only has enabled farmers to improve their standard of living to more nearly the level prevailing in 1925-29, but also that the increase in farmers' purchasing power has been instrumental in improving economic conditions all along the line from the retail merchant in small towns back to the manufacturer and the producer of the raw materials.

Although the evidence available at the present time indicates that farmers have also greatly increased their expenditures for commodities for use in production, the level of purchases for production is still apparently somewhat lower relative to 1925-29 than the expenditures for commodities for the farm family.

Purchases of farm machinery increased sharply in 1935, but were still only about 60 percent as large as in 1929. The sale of automobiles and trucks in 1934 was more pronounced in the rural areas than in industrial centers, and preliminary indications are that this same situation continued in 1935, but farmers' purchases of automobiles and trucks in 1935 apparently were still only about two-thirds as large as in 1929. There was a marked increase in farmers' expenditures for buildings and repairs in 1935, but expenditures continue to be considerably below the amount necessary to maintain the present condition of buildings on farms. Farmers' expenditures for capital items in 1935 apparently were below the depreciation of such items, indicating that farmers are still using up their capital goods faster than they are replacing them, a condition which is common in periods of low income and one that has prevailed since 1930.

C. M. PURVES,
Division of Statistical and Historical Research.

THE POTATO SITUATION

A sharp upswing starting in October and continuing to November 14 brought potato prices to more than double the October 1 levels and even higher in some of the eastern areas. Price decreases since November 14 have amounted to about one-half of the earlier advances. Generally speaking, the potato price situation, as far as growers were concerned, had been on an unsatisfactory basis from the opening of the Hastings-Florida season in March up to the time of these advances.

Early October freezes in eastern and northern surplus States, the effect of the ensuing crop report, and possibly the announcement by the Agricultural Adjustment Administration of a surplus diversion plan for the 1935 crop in the late States, were the apparent factors in the rapidity with which prices moved upward.

The price to commercial growers in Maine, Wisconsin, Michigan, and Idaho for U. S. No. 1 potatoes, bulk per bushel, for the weeks indicated have been as follows:

	Week Oct. 14-19	Week Nov. 4-9	Week Nov. 11-16	Week Nov. 18-23	Week Dec. 16-21
	Bushel	Bushel	Bushel	Bushel	Bushel
Maine-----	39	70	72	64	49
Wisconsin-----	25	41	46	41	39
Michigan-----	33	44		48	46
Idaho-----	25	70	60	54	46

In Maine, cash growers' prices advanced from 20 cents per bushel on October 1 to the high point of 77.5 cents per bushel on November 14. The Maine market declined following the November 14 high, reaching 48 cents per bushel on December 17.

Idaho Falls prices to growers, which were 25 cents per bushel on October 1, reached a high of 78 cents per bushel on November 6, declining to 38 cents per bushel on December 16.

December quotations eased slightly, due partially to the usual holiday lack of interest in potatoes. The December crop report showed a 356,406,000 bushel crop for the United States as of December 1, which was a 2,601,000 bushel increase over the November 1, 1935, estimate.

The December 1935 crop report indicates total production in the 30 late crop States of 283,137,000 bushels, compared with the November 1935 estimate of 282,405,000 and the 1934 estimate of 312,168,000 bushels for these same States.

In general, the potato situation during the last 2 months of 1935 has been on a basis more satisfactory to growers. The January statement of stocks on hand may have a material bearing on prices during the early months of 1936, although the effect of this report will be tempered somewhat by the potato program of the Agricultural Adjustment Administration.

The 1925 short crop, due to reduced acreage and low yields, raised the average price of potatoes to around \$3.40 per 100 pounds U. S. No. 1 round whites at Chicago. This favorable situation was followed by an expanded acreage, accompanied by improved yields for the 3

following years, culminating in the record crop of 1928, which brought Chicago prices down to about 80 cents per 100 pounds.

In 1929, acreage was reduced to less than 3 million acres for the first time since 1926 and returns were again better than for any crop since 1926.

The downward cycle then again set in, with prices falling rapidly, and farm returns diminished as acreage and the size of the crop were increased. At the bottom of this downward price trend, potatoes sold at Chicago for only about 70 cents per 100 pounds in the 1932 crop season. The total value of the crop in 1932 was only 141 million dollars as against 431 million dollars in 1929. In 1933, an unfavorable season curtailed the size of the crop and prices for U. S. No. 1 round whites at Chicago again rose to a peak of \$1.43 per 100 pounds. Acreage expansion in 1934, with improved yields, brought a repetition of a downward price movement.

Looking toward improving the price prospects for the 1935 potato crop, a surplus diversion plan was proposed by the Agricultural Adjustment Administration at the request of western and northern commercial growers. At the time of this request in October 1935, farm prices were at distressingly low levels. Due to curtailment of the crop because of adverse weather, it may be necessary to divert only a few potatoes. Prices advanced during the month of October and on December 16 were around three-fourths of parity which is the level the Agricultural Adjustment Administration had in mind when it prepared the diversion program.

THE DIVERSION PLAN

The diversion plan can be made operative in surplus regions adopting a marketing agreement where conversion would be to the financial advantage of growers. Under the plan, the Agricultural Adjustment Administration would make a payment of 25 cents to growers for each 100 pounds of low-grade potatoes diverted into uses for livestock feed, or into potato flour, starch, alcohol, or other uses the Secretary of Agriculture might designate. Payments would be made only upon potatoes which met or exceeded the specification for U. S. No. 2, unless the Secretary specified some other grade or grades. Payments would not be made upon cull potatoes, which normally do not enter commercial channels, but growers would be required to withhold such inferior potatoes from the market. Payments would be made only after the grower had furnished satisfactory proof that he had complied with the diversion agreement.

The Agricultural Adjustment Administration developed marketing agreements to regulate the marketing of low-grade potatoes. These marketing agreements are expected to operate in conjunction with diversion contracts. It appears they will be put into effect in the Colorado-Nebraska-Wyoming area and in the State of Maine. The Agricultural Adjustment Administration intends to keep its diversion and marketing agreement open as a safeguard against severe price declines.

THE NEW POTATO LAW

The potato program of the Agricultural Adjustment Administration is being developed under the Potato Act of 1935 and an amendment to the Agricultural Adjustment Act, which made potatoes a basic

agricultural commodity within the definitions and provisions of the act.

The Potato Act directs the Secretary of Agriculture to determine and proclaim the quantity of potatoes which will, in his opinion, tend to establish prices to potato producers at a level that would give potatoes a purchasing power, with respect to articles that farmers buy, equivalent to the purchasing power of potatoes in the period August 1919-July 1929. The Secretary is further directed to apportion such quantity among the States and to farms within the State. Potatoes sold in excess of this apportionment are subject to a tax of 3/4 cent per pound, or 45 cents per bushel.

The Secretary has announced that the tax-exempt allotment for the year beginning December 1, 1935, shall be 226,600,000 bushels. Tax-exemption stamps will be issued to growers who receive apportionments from the allotment. It is estimated that a total United States production of from 350,000,000 to 360,000,000 bushels would be necessary to supply the tax-exempt sales allotment. From a crop of this size, 130,000,000 to 140,000,000 bushels will be used on the farm as food for farm families and farm labor, livestock feed, and for seed.

The national allotment of 226,600,000 bushels is about 2½ percent less than the average annual sales of 232,353,000 bushels of potatoes during the 6-year period 1929-34. An analysis of the relationship between prices, production, demand, and sales of potatoes indicates that sales of 226,600,000 bushels would tend to result in prices approximating parity.

Apportionment of the National Sales Allotment to each State was determined on the basis of the ratio that the annual average acreage of the 4 years in which the highest potato acreage was harvested in such State in the years 1927-34, inclusive, multiplied by the average yield per acre for the 4 years that the yield of potatoes per acre for such State was highest in the years 1927-34, inclusive, multiplied by the average annual percentage of the crop produced in such State during the years 1929-34, inclusive, which was sold, bears to the sum of the products of such average acreages, such average yields, and such percentages of sales for all States.

The proportion of the crop sold in the various States has ranged from 16 to 95 percent. Considerable variation occurred in the percentage sold by a State from year to year. Variations in the proportion of the crop sold between counties in a State and between growers in a county were equally as wide. Similar variations occurred in the quantities used on farms for food, seed, or livestock feed, although within a somewhat narrower range. Because of these variations in the utilization of the crop, and in the proportion of the crop sold, the sales allotments to the various States differ but are in line with their average sales in the last 6 years.

Of the potato production in the United States during the 6-year period 1929-34, an average of but 63.1 percent was sold. The remaining 36.9 percent was not sold. Of the unsold proportion, 19.0 percent was used for food on farms, 9.4 percent was used for seed, 0.9 percent was used in potato manufacture or fed to livestock, and 7.6 percent represents shrinkage, waste in marketing, and loss from other causes.

Potato prices show wide variations as a result of fluctuations in production. Growers usually receive larger returns from a small crop than from a large crop. They usually receive less when returns are averaged for large and small crops than for crops of medium size. Consumers pay more on the average for large and small crops than for crops of medium size, partly because of waste in marketing and partly because of increased marketing costs. When the production of potatoes greatly exceeds the level of consumption, potatoes not only waste in the fields and in storage on the farm, but they also waste after they move into the hands of jobbers, wholesalers, and retailers.

Considering the economies that can be effected in farm management through producing, harvesting, and marketing crops near the level of consumption, the grower has been penalized equally with the consumer by these years of short and peak crops. These studies of past years of potato production thus show that both consumers and potato growers would fare much better over a period of years under a program that would stabilize the quantity of potatoes offered for sale, near the level of average consumer requirements.

A. E. MERCKER,
In Charge, Potato Section, A.-A. A.

INTEREST RATES DECLINE FURTHER

Interest rates on all classes of credit have declined further during the last year. The level of charges was lower on January 1, 1936, than for any other date reported in this series. The low rates of 1.5 percent as the New York discount rate and 0.75 percent on commercial paper in central money markets have been reflected in lowered rates on Federal land bank bonds and on loans to farmers.

The yield on 4-percent consolidated farm-loan bonds declined from 4.05 percent in November 1934 to 3 percent in November 1935. Contract rates to farmers declined from 5.24 percent to 4 percent during the same period. Mortgage loans from banks and other commercial agencies have also reached new low levels during the year.

These lowered rates on long-term farm loans probably are the most significant development in agricultural finance during the year, since they apparently indicate the establishment of a new level of rates for agriculture. The average rate reported in the Census of 1920 was 6.1, and in 1930 6.1 for interest and commission, hence the present contract rate for loans from important sources of credit is about 2 percent below that prevailing prior to 1933.

Should the present low rates continue in force for a sufficient period of time they might be expected to have an important influence on farm land valuation.

DAVID L. WICKENS,
Division of Agricultural Finance.

INTEREST AND DISCOUNT RATES, AND BOND YIELDS

[Percentages]

Year and month	12 Federal land banks		High-grade bond yields ²	12 Federal intermediate credit banks' rates		Production credit associations	Rural resettlement nonreal-estate loans	Commercial paper rates (4- to 6-month average)	Federal reserve bank (New York) discount rate
	Rates to borrowers	Bond yields ¹		On loans	On discounts				
1917	5.05							4.74	4 -4½
1920	5.50		6.12					7.46	4¾-7
1923	5.50		5.12	5.50	5.50			5.01	4 -4½
1929	5.32		4.73	5.56	5.61			5.84	4½-6
1930	5.63		4.55	4.53	4.54			3.58	2½-4½
1931	5.63		4.58	4.08	4.08			2.63	1½-3½
1932	5.61		5.01	4.23	4.23			2.73	2½-3½
1933	5.30		4.49	3.10	3.10	5.50		1.72	2 -3½
1934	5.00		4.00	2.29	2.29	5.19		1.01	2 -1½
1933:									
January	5.58		4.44	3.17	3.17			1.38	2½
June	5.58		4.46	3.10	3.10			1.75	3 -2½
December	5.00		4.50	2.96	2.96	5.50		1.38	2
1934:									
January	5.00		4.35	2.98	2.98	5.50		1.38	2
February	5.00		4.20	3.00	3.00	5.50		1.38	1½
March	5.00		4.13	2.74	2.74	5.50		1.12	1½
April	5.00		4.07	2.50	2.50	5.50		1.12	1½
May	5.00		4.01	2.26	2.26	5.25		1.00	1½
June	5.00		3.93	2.00	2.00	5.00		.88	1½
July	5.00	3.96	3.89	2.00	2.00	5.00		.88	1½
August	5.00	4.13	3.93	2.00	2.00	5.00		.88	1½
September	5.00	4.44	3.96	2.00	2.00	5.00		.88	1½
October	5.00	4.18	3.90	2.00	2.00	5.00		.88	1½
November	5.24	4.05	3.86	2.00	2.00	5.00		.88	1½
December	5.24	3.91	3.81	2.00	2.00	5.00		.88	1½
1935:									
January	5.00	3.75	3.78	2.00	2.00	5.00		.88	1½
February	5.00	3.44	3.72	2.00	2.00	5.00		.75	1½
March	5.00	3.25	3.71	2.00	2.00	5.00		.75	1½
April	4.34	3.08	3.72	2.00	2.00	5.00		.75	1½
May	4.25	3.07	3.74	2.00	2.00	5.00		.75	1½
June	4.19	3.01	3.72	2.00	2.00	5.00		.75	1½
July	4.00	2.92	3.70	2.00	2.00	5.00	5.00	.75	1½
August	4.00	3.05	3.77	2.00	2.00	5.00	5.00	.75	1½
September	4.00	3.18	3.80	2.00	2.00	5.00	5.00	.75	1½
October	4.00	3.10	3.80	2.00	2.00	5.00	5.00	.75	1½
November	4.00	3.00	-----	2.00	2.00	5.00	5.00	.75	1½

¹ Yield on 4-percent consolidated farm-loan bonds.² Moody's Aaa.

COST OF FARM-MORTGAGE CREDIT HIGH ON SMALL LOANS

The total cost of mortgage credit is greater for small loans than for large ones. A study of the mortgaged farms of owner operators in 100 counties in 11 States indicates that the combined cost for interest, commission, and other financing cost as reported in the Census of 1930, averaged 8.3 percent for farms having loans under \$500 in amount, as compared with 7.3 percent for loans between \$500 and \$1,500 and an extreme of 5.9 percent for loans over \$15,000.

All States showed mortgage costs highest for loans under \$500 and lowest for loans larger than \$7,500. This declining tendency for large loans occurs at different general levels which prevail in the respective States, Louisiana having the highest rate at 7.1 percent, Georgia and Montana, 6.9 percent, and Iowa and Minnesota, the lowest, at 5.6 percent as the average for the counties included.

The reports on amount and cost of debt include both first and second mortgages, so that some variation in average rates may be due to differences in the number of loans with junior priority. Second mortgages generally bear higher rates than first mortgages, but they had become of minor importance by 1930.

A part of the higher cost of small loans is due to the commissions or other financing cost. These expenses represent relatively fixed amounts, which do not vary directly with the size of the loan as interest does. The result is a higher cost per dollar for the loan.

The higher credit rate on small mortgages is also partly due to the type of institutions providing the loans and to their shorter term. Agencies specializing in mortgage loans and offering lowest rates are likely to prefer to invest in large amounts and to avoid the burden of supervising many small loans. As a result, the small mortgage loans are financed largely by local agencies which deal mainly in non-real-estate credits at rates customarily higher than on land secured loans. Local institutions usually make their mortgage loans for short terms, which results in a higher cost per annum on account of the financing charges.

AVERAGE ANNUAL COST OF FARM-MORTGAGE CREDIT BY SIZE OF DEBT ON OWNER-OPERATED FARMS, SELECTED COUNTIES OF 11 STATES, 1930

Size-of-debt group (dollars)	Average amount of debt, 11 States ¹	Average cost, 11 States	Average cost per annum in—							
			Pennsylvania counties	Michigan counties	Iowa counties	Kansas counties	Louisiana parishes	Texas counties	Montana counties	Oregon counties
			Dollars	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Under 500-----	285	8.3	7.5	8.2	10.0	9.1	7.9	9.9	8.6	8.0
500 to 1,499-----	906	7.3	6.0	6.8	9.7	7.1	7.5	8.1	7.9	7.0
1,500 to 2,499-----	1,846	6.7	5.8	6.5	7.8	6.1	7.2	7.1	7.3	6.6
2,500 to 3,499-----	2,841	6.5	5.6	6.3	6.3	5.9	7.4	6.9	7.3	6.4
3,500 to 4,499-----	3,865	6.2	5.6	6.1	6.0	5.8	6.6	6.7	7.1	6.4
4,500 to 5,499-----	4,882	6.2	5.5	6.1	5.9	5.8	6.6	6.7	7.1	6.3
5,500 to 6,499-----	5,890	6.2	5.5	6.1	6.0	5.8	7.2	6.6	6.8	6.1
6,500 to 7,499-----	6,881	6.4	5.7	6.1	6.1	5.8	7.7	7.0	6.8	6.3
7,500 to 8,499-----	7,890	6.0	5.6	5.9	5.4	5.8	6.8	6.4	6.6	6.0
8,500 to 9,499-----	8,863	6.2	5.7	6.0	5.4	5.8	7.3	6.8	6.5	6.3
9,500 to 10,499-----	9,950	6.0	5.4	6.1	5.5	5.7	7.1	6.7	6.8	6.2
10,500 to 14,999-----	12,292	6.1	5.5	5.9	5.7	5.7	7.3	6.3	6.7	6.3
15,000 to 19,999-----	16,574	5.9	5.9	6.2	5.4	5.8	6.5	6.5	6.4	6.1
20,000 and over-----	27,963	5.9	6.3	5.5	5.3	5.5	6.4	6.3	6.4	6.2
All groups-----	3,760	6.3	5.7	6.3	5.6	5.8	7.1	6.8	6.9	6.4

¹ Includes 3 States not shown separately.

THE DAIRY MARKET SITUATION

The closing dairy markets of 1935 are marked by a generally firm tone, prices which are high in relation to recent years, light storage supplies, a production situation which is somewhat of a puzzle, and a consumption for the most part higher than a year ago.

Some of the important developments of the year were the importation of substantial amounts of foreign butter, heavy production during the flush season with unusual variations at other seasons, extreme changes with respect to storage stocks at different periods of the year, and a continued, although modified, program of Federal activity in fluid milk control and surplus removal.

BUTTER SUPPLIES LOW

At the beginning of the year, supplies of dairy products were light, for production in the latter part of 1934 had been relatively low, while consumption was heavier. Butter prices were on the up-grade and continued to rise until in early February 92-score butter at New York reached a high of 38½ cents. This placed retail prices beyond the point where many consumers bought willingly, and a drop in apparent consumption was at least partly responsible for a sharp break in February which continued through the first half of March.

Butter production was at such a low rate, however, almost 12 percent less during the first 3 months of the year than in 1934, that even with a 20 percent reduction in apparent consumption, storage stocks were reduced by March 1 to less than 8,000,000 pounds. This was the second smallest amount on record for that date, only 1927 having shown less. The shortage resulted in butter prices again advancing, and before the middle of April they were again back to 38½ cents, the highest point reached during the year.

21,500,000 POUNDS OF BUTTER IMPORTED

While the foregoing conditions were developing in domestic markets, price changes were also occurring in foreign markets, but in a direction which made it profitable to ship butter to the United States over the 14-cent tariff wall. Thus, considerable quantities of foreign butter began making their appearance on domestic markets, and up to April 1, more than 8,500,000 pounds had arrived. With domestic production failing to show the usual seasonal pick-up during the spring months, and reserve supplies being further depleted, more imports arrived.

Butter interests were unwilling to store for fall and winter use at prices much out of line with recent previous years, and when the seasonal increase in production did begin to appear, prices which had slid to 29 cents by May 1 went on down to 23 cents in late June, the latter price being the low point for the entire year. This change definitely shut off imports, except for nominal amounts.

The total importation from January 1 to July 1 amounted to 21,500,000 pounds, compared with 285,000 pounds during the corresponding period of 1934.

VARIED DEVELOPMENTS IN CHEESE AND MILK

While the foregoing developments were taking place in butter markets, other dairy products were following more or less irregular trends. Cheese production during the first half of the year was 8 percent less than in 1934, although storage stocks on July 1 were about average for that date. Evaporated milk production was about 10 percent greater than in the first half of 1934, but apparent consumption was only 6 percent greater, so that stocks which had been at record lows in March and April began to pile up in manufacturers' hands, resulting later in the heaviest carry-overs on record.

Major fluid milk markets as a whole were mostly without important changes during the first half of the year, although there were numerous adjustments up and down of local prices.

When new pastures opened up in May and June, there were marked increases in production. On the basis of milk equivalents, manufactured dairy products increases over corresponding months of 1934 were 8.7 percent in June, and 6.9 percent in July. This did not continue during succeeding months, however, for August was 2.4 percent less, September about the same, October 8.0 percent, and November 12.0 percent less. For the period, January to November, inclusive, butter production is estimated to have been 3.8 percent below 1934. Cheese and canned milk production were above last year, but when these products were combined with butter, there was a net decrease of 2.0 percent.

The irregularity of production for the several manufactured dairy products, which is obvious from what has just been said, is not easy to explain. Cheese was the only product which showed consistent increases at times when one or more of the other products were showing decreases.

Reports of recent months have referred to the smaller numbers of cows being milked, and to shifts in freshening dates. The disease eradication program apparently has been of considerable importance in reducing cow numbers in some sections, and the higher price of meat animals is probably another influence working in the same direction. Relationship of prices of dairy products and feeds is always an important one in connection with production changes, and the relationship between prices of the different dairy products is another influence. Evidence of the latter is found in the heavy production of cheese referred to, part of which was due to the unusually favorable price of cheese as compared with other dairy products.

December 1 stocks of butter in cold storage were 71,925,000 pounds, a reduction of 10,000,000 pounds under last year, and 5,500,000 pounds below average for that date. Several times during the last 10 years December 1 stocks of butter were lower than this year, but in view of the production outlook, as well as the tendency for consumption to increase slightly, some of the trade are inclined to think in terms of a shortage before the season is over. Already there are indications of an interest in imports, and small quantities have arrived, with a prospect of some further shipments in the weeks immediately ahead.

EVAPORATED MILK SUPPLIES CUT DOWN

The most unusual change with respect to stocks of dairy products is found in the case of evaporated milk. On March 1, stocks of this product were the lowest on record for any date, totaling 28,900,000 pounds. By June 1, however, movements into trade channels had so slowed up that a new high record for that date was reached, followed by all-time new high records on succeeding months up to September 1. On the latter date, manufacturers' stocks amounted to 358,780,000 pounds. Price reductions during this period stimulated more active buying, which continued even after prices were moved up again, so that by December 1, total stocks of manufacturers were only 91,250,000 pounds. This represented a reduction of evaporated milk stocks from September 1 to December 1 of 267,000,000 pounds, compared with an average for the period of around 8,600,000 pounds.

BUTTER AND CHEESE PRICES HIGHER

The trend of butter prices the last half of 1935 has been steadily upward, and at present (December 26) New York 92-score is 34½ cents. The year will close with December prices at the highest level since 1929. Cheese prices have followed a somewhat similar trend, and the year closes with cheese also the highest since 1929. While there have not been a large number of changes in fluid milk prices, the net prices actually received by producers during 1935 will probably average higher than last year because of less surplus and because what surplus there was had a higher value than in 1934.

CONSUMPTION APPARENTLY IMPROVING

The consumption of dairy products is now apparently heavier than last year, although the decrease of approximately 90,000,000 pounds of butter would make the total decrease of butter, cheese, and condensed and evaporated milk combined almost 3 percent for the 11-month period, January to November, inclusive. All of the foregoing products except butter actually show increases.

Government purchases of butter, cheese, evaporated milk, and dry skim milk were made during the earlier months of 1935, but none have been made recently. The Federal program of milk control has continued in some 30 markets, and State control is in effect in a number of States.

One development of particular interest during the year was the signing of the tariff treaty with Canada in November, whereby certain concessions were made, effective January 1, 1936. Butter was not included, but cheddar cheese was reduced from 7 cents to 5 cents per pound, and cream (not over 1,500,000 gallons annually) was reduced from 56.6 cents to 35 cents per gallon.

L. M. DAVIS,
Division of Dairy and Poultry Products.

SUMMARY OF DAIRY STATISTICS

[Millions of pounds; 000,000 omitted]

PRODUCTION

Product	November			January to November, inclusive		
	1935	1934	Percent change	1935	1934	Percent change
Creamery butter-----	95	113	-15.8	1,529	1,589	-3.8
Cheese-----	39	35	+12.0	558	549	+1.6
Condensed milk-----	17	15	+10.9	227	211	+7.3
Evaporated milk ¹ -----	88	101	-13.3	1,765	1,618	+9.1
Total milk equivalent-----	2,616	2,973	-12.0	42,075	42,875	-1.9

APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

Creamery butter-----	143	143	+0.4	1,526	1,619	-5.7
Cheese-----	52	49	+7.0	600	573	+4.7
Condensed milk-----	22	17	+28.2	226	202	+11.8
Evaporated milk ¹ -----	223	111	+101.5	1,801	1,590	+13.3
Total milk equivalent-----	4,071	3,767	+8.1	42,507	43,669	-2.7

¹ Case goods only.

WEAKER EGG MARKETS

The December egg markets have displayed more than the usual amount of weakness and irregularity normally expected at this time of the year. Demand by retail distributors has been unusually spotty, with the increasing supplies of fresh eggs during late weeks sufficient to satisfy a large part of the regular trade requirements. Movement of spring and summer packed eggs out of storage has been disappointingly slow, although offered freely and at generous concessions in some cases to stimulate sales.

Weather conditions throughout the principal egg producing areas have so far been relatively mild, with no severe cold spells to check production or interfere with country collections or deliveries to local packing plants or assembling points. The number of pullets added to the laying flocks so far has been much larger than the number added a year earlier, so that with the mild weather and liberal feed supplies present in practically all areas, the expansion in egg production since early November has exceeded that of a year ago by an ample margin..

POOR STORAGE DEMAND

Although the supplies of fresh eggs have been much larger than was expected earlier in the season, the most important factor in unsettling egg values during the last 2 months has been the lack of interest and buying demand for storage eggs. At the peak of this year's storing season on August 1, a total of 7,947,000 cases of shell eggs was reported in storage. This quantity was considerably less than the 8,961,000 cases reported in storage on August 1 last year, as well as the 5-year average for that date of 9,120,000 cases. During the months of August to November, inclusive, however, the net out-of-storage movement of shell eggs amounted to only 5,209,000 cases, compared with 6,581,000 cases during the same period last year, and 6,356,000 cases for the 5-year average. At the same time, the reduction in the storage stocks of frozen eggs amounted to 37,345,000 pounds, considerably less than the reduction of 45,491,000 pounds a year earlier but slightly larger than the reduction of 34,152,000 pounds for the 5-year average of this period.

The decreased use this last year under the previous one, of both storage shell and frozen eggs during the 4 months of August to November, inclusive, was only partially offset by larger supplies of freshly produced eggs. Data available for the four large markets (New York, Chicago, Boston, and Philadelphia) indicate that during this period the quantity of shell eggs moving into distributive channels was about 4 to 5 percent less than the quantity marketed during the same months last year. No definite information is available on the decreased trade output of frozen eggs but it was probably somewhat in excess of this figure.

PRODUCTION HAS OUTRUN EXPECTATIONS

It is quite difficult to find a clear explanation of the present situation in the egg markets. It is true that egg prices during the late summer and early months were the highest for that period for several years, but in view of the egg supply situation at that time, they did not seem out of line with the general price level of other food products, particularly meats.

Subsequent developments, however, indicate that the earlier calculations on the extent of fresh-egg production during the closing months of 1935 were entirely too low, so that it is probably true that the price of both fresh and storage eggs during August, September, and October were too high to produce the most satisfactory level of consumption on the basis of later supplies.

At the present time (Dec. 24), egg prices are slightly lower than a year ago. Some pick-up in consumption is being noted at some points, but so far the improvement is small. Reports in general indicate a slight feeling of pessimism. It appears that there may be some possibility of carrying this feeling too far. Although most of the 1935 storage deal is over, and very unsatisfactory at that, there still remains the matter of 6 to 7 weeks during which cold weather may be expected, and any retarding of production during this period could cause a sharp recovery in prices.

Looking forward to next year, however, it must be admitted that the unsatisfactory conclusions of this year's storage operations will have an adverse effect upon prices next spring, inasmuch as those who lost money this year will be rather conservative in their bids during the 1936 storing season.

Poultry markets in December showed but little change from the preceding month.

Stocks of all poultry in storage on December 1 amounted to 85,796,000 pounds, almost 20,000,000 pounds less than the stocks in storage on the same date last year, and 6,000,000 pounds less than the 5-year average stocks for December 1. Stocks of broilers and fowls were considerably less than the heavy stocks of December 1 last year, but fryers, roasters, and turkeys were just about the same.

B. H. BENNETT,
Division of Dairy and Poultry Products.

**CASH INCOME FROM THE SALE OF FARM PRODUCTS AND
RENTAL AND BENEFIT PAYMENTS TO FARMERS**

CASH INCOME FROM SALE OF FARM PRODUCTS

	Grains	Cotton and cotton-seed	Fruits and vegetables	All crops	Meat animals	Dairy products	Poultry and eggs	All live-stock and products	Total crops and live-stock
	Mil-lion dollars	Mil-lion dollars	Mil-lion dollars	Mil-lion dollars	Mil-lion dollars	Mil-lion dollars	Mil-lion dollars	Mil-lion dollars	Mil-lion dollars
1934									
December	39	79	56	219	108	90	51	254	473
1935									
January	27	44	59	189	125	99	36	261	450
February	26	34	65	157	109	98	38	245	402
March	28	30	75	159	122	102	45	270	429
April	37	18	92	173	124	111	59	295	468
May	40	15	83	160	130	123	66	323	483
June	34	12	70	133	116	122	54	305	438
July	45	11	75	152	119	113	44	299	451
August	95	27	70	260	139	102	36	287	547
September	94	109	70	356	136	98	41	282	638
October	79	182	110	484	169	95	44	312	796
November	54	146	73	348	154	89	64	312	660
1931	47	104	54	255	99	97	54	252	507
1932	20	78	45	180	72	69	51	197	377
1933	40	115	59	287	92	81	42	223	510
1934	42	115	62	276	115	89	53	263	539
1935	54	146	73	348	154	89	64	312	660

BENEFIT, RENTAL, AND DROUGHT-RELIEF PAYMENTS TO FARMERS NOT INCLUDED IN OTHER SOURCES OF INCOME

	Cotton	Tobacco	Wheat	Sugar beets	Sheep	Corn-hog	Cattle ¹	Total ²
	Million dollars	Million dollars	Million dollars	Million dollars				
1934								
June	19	3	1	-	-	5	1	29
July	8	1	1	-	-	10	10	30
August	6	1	1	-	-	38	26	72
September	2	-	2	-	-	47	25	76
October	12	-	36	-	-	28	28	104
November	24	2	25	-	5	8	9	73
December	12	1	12	-	2	22	4	53
1935								
January	18	2	6	-	1	37	6	70
February	10	3	5	3	(³)	28	3	52
March	5	7	4	3	-	30	1	50
April	2	2	1	4	-	40	-	49
May	17	3	3	3	-	10	-	36
June	15	5	1	3	-	6	-	30
July	4	1	1	1	-	11	-	19
August	4	1	12	1	-	24	-	44
September	6	4	23	-	-	22	-	45
October	18	2	19	4	-	18	-	62
November	13	3	26	6	-	7	-	56

¹ Purchased under drought-relief program.

² Total of all benefit, rental, and drought-relief payments made during month may not check exactly with sum of payments on individual program.

³ Less than \$500,000.

* Includes \$2,000,000 of rental and benefit payments paid to rice growers in August and September and \$1,000,000 in October and \$1,000,000 to peanut growers in November.

PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the division of crop and livestock estimates of this Bureau. Average of reports covering the United States weighted according to relative importance of district and States.

Product	5-year aver- age, Au- gust 1909- July 1914	De- cem- ber aver- age, 1909- July 1914	De- cem- ber 1934	No- vem- ber 1935	De- cem- ber 1935	Parity price, De- cem- ber 1935
Cotton, per pound-----cents	12.4	12.2	12.4	11.5	11.4	15.6
Corn, per bushel-----do	64.2	57.7	85.3	56.4	53.0	80.9
Wheat, per bushel-----do	88.4	86.7	90.6	88.7	90.1	111.4
Hay, per ton-----dollars	11.87	11.99	13.86	7.25	7.20	14.96
Potatoes, per bushel-----cents	69.7	62.3	45.4	62.6	64.2	86.5
Oats, per bushel-----do	39.9	38.3	53.9	25.8	25.5	50.3
Beef cattle, per 100 pounds_dollars	5.21	5.03	3.89	6.0	6.14	6.56
Hogs, per 100 pounds-----do	7.22	6.73	5.15	8.54	8.72	9.10
Chickens, per pound-----cents	11.4	10.6	11.7	15.9	16.0	14.4
Eggs, per dozen-----do	21.5	29.9	27.0	30.1	28.7	141.0
Butter, per pound-----do	25.5	28.3	26.5	28.2	29.8	134.7
Butterfat, per pound-----do	26.3	29.9	28.2	29.9	33.0	136.1
Wool, per pound-----do	17.6	17.0	18.5	22.6	23.3	22.2
Veal calves, per 100 pounds_dollars	6.75	6.73	4.88	7.65	7.86	8.50
Lambs, per 100 pounds-----do	5.87	5.52	5.01	7.57	8.15	7.40
Horses, each-----do	136.60	132.10	72.90	88.90	90.60	172.10

¹ Adjusted for seasonality.

COLD-STORAGE SITUATION

[Dec. 1 holdings, shows nearest millions; i. e., 000,000 omitted]

Commodity	5-year average, 1930-34	Year ago	Month ago	Decem- ber 1935
Apples-----total barrels	¹ 10,155	¹ 10,328	¹ 10,276	¹ 11,006
Frozen and preserved fruits-----pounds	76	68	87	84
40-percent cream-----40-quart cans	¹ 166	¹ 90	¹ 201	¹ 133
Creamery butter-----pounds	77	81	120	72
American cheese-----do	77	97	101	93
Frozen eggs-----do	78	76	88	79
Shell eggs-----cases	¹ 2,764	¹ 2,380	¹ 4,644	¹ 2,738
Total poultry-----pounds	91	106	53	86
Total beef-----do	70	128	65	91
Total pork-----do	463	572	241	253
Lard-----do	63	104	41	38
Lamb and mutton, frozen-----do	3	5	2	3
Total meats-----do	602	817	362	410

¹ 3 ciphers omitted.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Wholesale prices of all com- modities ¹	Industrial wages ²	Prices paid by farmers for com- modities used in ³ —			Farm wages	Taxes ⁴
			Living	Produc- tion	Living produc- tion		
1910	103		98	98	98	97	-----
1911	95		100	103	101	97	-----
1912	101		101	98	100	101	-----
1913	102		100	102	101	104	100
1914	99		102	99	100	101	101
1915	102	101	107	104	105	102	110
1916	125	114	124	124	124	112	116
1917	172	129	147	151	149	140	129
1918	192	160	177	174	176	176	137
1919	202	185	210	192	202	206	172
1920	225	222	222	174	201	239	209
1921	142	203	161	141	152	150	223
1922	141	197	156	139	149	146	224
1923	147	214	160	141	152	166	228
1924	143	218	159	143	152	166	228
1925	151	223	164	147	157	168	232
1926	146	229	162	146	155	171	232
1927	139	231	159	145	153	170	238
1928	141	232	160	148	155	169	239
1929	139	236	158	147	153	170	241
1930	126	226	148	140	145	152	238
1931	107	207	126	122	124	116	218
1932	95	178	108	107	107	86	189
1933	96	171	109	108	109	80	162
1934	109	182	122	125	123	90	154
 1934							
October	112	181			126	93	-----
November	112	180			126	-----	-----
December	112	185	122	131	126	-----	-----
 1935							
January	115	188			126	86	-----
February	116	189			127	-----	-----
March	116	193	124	131	127	-----	-----
April	117	191			127	94	-----
May	117	189			127	-----	-----
June	116	189	124	130	127	-----	-----
July	116	188			126	99	-----
August	118	192			125	-----	-----
September	118	195	122	124	123	-----	-----
October	118	194			123	102	-----
November	117	190			122	-----	-----

¹ Bureau of Labor Statistics Index with 1926=100, divided by its 1910-14 average of 68.5.² Average weekly earnings, New York State factories. June 1914=100.³ These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.⁴ Index of farm real estate taxes, per acre, 1913=100.⁵ Preliminary.

GENERAL TREND OF PRICES RECEIVED AND PAID

Year and month	Index numbers of farm prices [August 1909-July 1914=100]								Prices paid by farmers for commodities bought ¹	Ratio of prices received to prices paid
	Grains	Cotton and cottonseed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs	All groups		
1910-----	104	113	101	-----	103	99	104	102	98	104
1911-----	96	101	102	-----	87	95	91	95	101	94
1912-----	106	87	94	-----	95	102	100	100	100	100
1913-----	92	97	107	-----	108	105	101	101	101	100
1914-----	102	85	91	-----	112	102	106	101	100	101
1915-----	120	77	82	-----	104	103	101	98	105	93
1916-----	126	119	100	-----	120	109	116	118	124	95
1917-----	217	187	118	-----	174	135	155	175	149	117
1918-----	227	245	172	-----	203	163	186	202	176	115
1919-----	233	247	178	-----	207	186	209	213	202	105
1920-----	232	248	191	-----	174	198	223	211	201	105
1921-----	112	101	157	-----	109	156	162	125	152	82
1922-----	106	156	174	-----	114	143	141	132	149	89
1923-----	113	216	137	-----	107	159	146	142	152	93
1924-----	129	212	125	150	110	149	149	143	152	94
1925-----	157	177	172	153	140	153	163	156	157	99
1926-----	131	122	138	143	147	152	159	145	155	94
1927-----	128	128	144	121	140	155	144	139	153	91
1928-----	130	152	176	159	151	158	153	149	155	96
1929-----	120	144	141	149	156	157	162	146	153	95
1930-----	100	102	162	140	133	137	129	126	145	87
1931-----	63	63	98	117	92	108	100	87	124	70
1932-----	44	47	82	102	63	83	82	65	107	61
1933-----	62	64	74	105	60	82	75	70	109	64
1934-----	93	99	100	104	68	96	89	90	123	73
1933										
March-----	36	48	65	92	56	71	56	55	100	55
1934										
November---	109	107	94	107	72	105	125	101	126	80
December--	116	109	85	130	73	107	119	101	126	80
1935										
January----	115	108	87	117	96	112	114	107	126	85
February---	114	108	90	188	105	121	119	111	127	87
March-----	111	102	90	162	117	114	97	108	127	85
April-----	115	103	105	156	117	117	105	111	127	87
May-----	112	105	98	127	118	107	110	108	127	85
June-----	102	103	100	96	119	99	108	104	127	82
July-----	96	102	98	93	116	96	107	102	126	81
August-----	96	97	87	92	129	98	111	106	125	85
September--	97	90	82	101	131	102	126	107	123	87
October----	101	94	82	120	125	104	132	109	² 123	² 89
November--	90	99	83	136	117	111	140	108	² 122	² 89
December--	89	98	92	136	120	118	135	110	² 122	² 90

¹ 1910-14=100.² Preliminary.

THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by the Foreign Agricultural Service Division of this Bureau.

Year and month (ended Dec. 1)	Wheat, ¹ including flour	Tobacco (leaf)	Bacon, ² hams, and shoulders	Lard ³	Apples (fresh)	Cotton, ⁴ running bales
Total:	1,000 <i>bushels</i>	1,000 <i>pounds</i>	1,000 <i>pounds</i>	1,000 <i>pounds</i>	1,000 <i>bushels</i>	1,000 <i>bales</i>
1920-----	311, 601	467, 662	821, 922	612, 250	5, 393	6, 111
1921-----	359, 021	515, 353	647, 680	868, 942	5, 809	6, 385
1922-----	235, 307	430, 908	631, 452	766, 950	4, 945	6, 015
1923-----	175, 190	474, 500	828, 890	1, 035, 382	8, 876	5, 224
1924-----	241, 454	546, 555	637, 980	944, 095	10, 261	6, 653
1925-----	138, 784	468, 471	467, 459	688, 829	10, 043	8, 362
1926-----	193, 971	478, 773	351, 591	698, 961	16, 170	8, 916
1927-----	228, 576	506, 252	237, 720	681, 303	15, 534	9, 199
1928-----	151, 976	575, 408	248, 278	759, 722	13, 635	8, 546
1929-----	154, 348	555, 347	275, 118	829, 328	16, 856	7, 418
1930-----	149, 154	560, 958	216, 953	642, 486	15, 850	6, 474
1931-----	125, 686	503, 531	123, 246	568, 708	17, 785	6, 849
1932-----	82, 118	387, 766	84, 175	546, 202	16, 919	8, 916
1933-----	26, 611	420, 418	100, 169	579, 132	11, 029	8, 533
1934-----	36, 536	418, 983	83, 725	431, 238	10, 070	5, 753
November:						
1920-----	31, 209	26, 627	69, 129	57, 316	1, 475	681
1921-----	19, 813	29, 236	32, 425	51, 854	600	630
1922-----	17, 890	39, 787	51, 407	62, 321	1, 084	856
1923-----	12, 503	49, 381	71, 947	74, 251	2, 066	762
1924-----	35, 425	44, 312	35, 430	49, 120	2, 182	1, 289
1925-----	8, 796	51, 141	31, 693	39, 979	1, 959	1, 196
1926-----	20, 545	49, 136	22, 384	43, 488	5, 168	1, 475
1927-----	27, 003	54, 407	13, 744	49, 636	2, 286	984
1928-----	16, 195	76, 938	14, 568	67, 716	3, 455	1, 428
1929-----	15, 155	71, 422	24, 219	83, 257	2, 147	1, 049
1930-----	8, 701	56, 173	13, 800	42, 552	4, 492	907
1931-----	13, 550	55, 938	8, 962	35, 205	3, 006	1, 071
1932-----	5, 985	44, 531	7, 714	35, 897	2, 916	1, 012
1933-----	1, 930	42, 566	10, 306	47, 563	1, 695	915
1934-----	1, 936	45, 294	7, 559	19, 739	934	572
1935:						
January-----	1, 257	28, 943	5, 108	17, 667	1, 281	466
February-----	1, 300	23, 616	4, 158	15, 890	1, 490	390
March-----	1, 500	31, 062	5, 428	10, 636	945	318
April-----	1, 281	16, 760	5, 332	7, 193	397	323
May-----	1, 426	16, 661	7, 443	9, 740	44	278
June-----	1, 195	11, 867	6, 662	6, 877	17	345
July-----	1, 231	14, 581	6, 580	4, 915	104	280
August-----	1, 278	22, 382	5, 210	3, 406	544	241
September-----	1, 324	52, 371	3, 531	1, 515	1, 349	487
October-----	1, 489	60, 068	3, 355	2, 731	2, 190	712
November-----	1, 602	64, 117	4, 961	7, 932	1, 854	1, 135

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.

² Includes Cumberland and Wiltshire sides.

³ Excludes neutral lard.

⁴ Excludes linters.

THE TREND OF AGRICULTURAL IMPORTS

Year (ended Dec. 31) and month	Cattle, live	Butter	Wheat, grain	Corn, grain	Oats, grain	Sugar, raw ¹	Wool, unmanufactured
	<i>1,000 head</i>	<i>1,000 pounds</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 short tons</i>	<i>1,000 pounds</i>
1920-----	379	37,454	35,809	7,784	6,728	4,033	259,618
1921-----	195	18,558	23,286	164	3,565	2,984	320,666
1922-----	238	6,957	22,642	113	1,299	4,861	376,673
1923-----	140	23,741	19,502	203	317	3,855	394,250
1924-----	145	19,405	15,534	4,107	6,964	4,138	268,213
1925-----	175	7,212	13,901	1,086	178	4,460	339,253
1926-----	221	8,029	14,143	1,055	157	4,710	310,266
1927-----	445	8,460	11,754	5,458	85	4,216	267,287
1928-----	563	4,659	18,848	565	489	3,869	244,553
1929-----	505	2,773	14,576	407	112	4,888	280,371
1930-----	234	2,472	19,968	1,556	183	3,495	163,734
1931-----	95	1,882	15,690	618	576	3,176	158,385
1932-----	106	1,014	10,026	344	59	2,971	56,535
1933-----	82	1,022	10,318	160	132	2,874	178,928
1934: ²							
January-----	8	58	863	18	6	201	9,637
February-----	7	59	734	15	2	132	12,628
March-----	9	45	1,145	17	(³)	196	16,975
April-----	16	55	960	11	4	243	13,567
May-----	6	69	1,005	14	1	326	7,458
June-----	5	74	899	77	7	221	8,003
July-----	4	74	721	24	152	61	7,632
August-----	1	95	1,452	195	27	102	7,046
September-----	3	114	3,765	445	210	766	7,567
October-----	1	172	2,335	501	1,087	272	8,850
November-----	2	189	2,262	470	1,672	185	4,964
December-----	4	249	2,401	1,172	2,412	292	5,074
Total-----	66	1,253	18,542	2,959	5,580	2,997	109,401
1935: ²							
January-----	6	539	1,906	1,887	1,644	536	8,583
February-----	38	3,070	2,061	1,826	2,118	156	11,964
March-----	53	4,929	2,151	3,305	2,596	230	13,939
April-----	51	8,860	2,706	1,445	2,167	278	15,459
May-----	49	2,665	1,838	3,036	1,124	253	15,778
June-----	34	1,437	1,517	6,122	406	235	15,932
July-----	18	177	1,508	5,649	29	366	18,760
August-----	16	149	3,796	8,554	1	572	20,361
September-----	14	122	4,342	2,986	7	131	21,952
October-----	32	108	6,583	4,690	4	92	23,498
November-----	39	277	5,541	1,651	2	62	18,041

¹ Includes beet sugar. Tons of 2,000 pounds.² General imports prior to 1934; beginning Jan. 1, 1934, imports for consumption.³ Less than 500.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

Production, consumption, and movements	November 1934	October 1935	November 1935	Month's trend
<i>Production</i>				
Pig iron, daily (thousand tons) ----	69	64	32	Decrease.
Bituminous coal (million tons) ----	33	38	31	Do.
Steel ingots (thousand long tons) --	3, 153	3, 146	1, 611	Do.
<i>Consumption</i>				
Cotton, by mills (thousand bales) --	508	552	480	Do.
Unfilled orders, Steel Corporation shipments of finished steel products (thousand tons). -----	682	687	366	Do.
Building contracts in 37 Northeastern States (million dollars). -----	188	201	112	Do.
Hogs slaughtered (thousands) -----	2, 338	1, 182	1, 149	Do.
Cattle and calves slaughtered (thousands). -----	1, 356	1, 351	1, 140	Do.
Sheep and lambs slaughtered (thousands). -----	1, 017	1, 225	927	Do.
<i>Movements</i>				
Bank debits (outside New York City) (billion dollars). -----	13	17	17	Unchanged.
Carloadings (thousands) -----	3, 179	2, 882	2, 843	Decrease.
Mail-order sales (million dollars) --	72	80	61	Do.
Employees, New York State factories (thousands). -----	381	385	351	Do.
Average price 25 industrial stocks (dollars). -----	197. 63	189. 58	141. 62	Do.
Interest rate (4-6 months' paper, New York) (percent). -----	. 75	. 75	. 88	Increase.
Retail food price index (Department of Labor). ¹ -----	123	131	133	Do.
Wholesale price index (Department of Labor). ² -----	112	118	118	Unchanged.

¹ 1923-25 basis.² 1910-14 basis.

Data in the above table, excepting livestock slaughter and price indexes, are from the Survey of Current Business, Bureau of Foreign and Domestic Commerce, U. S. Department of Commerce.